UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL

Distr.
LIMITED

E/ECA/PAMM/HRP/TC/88/9
23 December 1987

Original: ENGLISH

ECONOMIC COMMISSION FOR AFRICA

Technical Preparatory Committee Meeting
of the Third Conference of Ministers
Responsible for Human Resources
Planning, Development and Utilization

Khartoum, Sudan, 9-11 March 1988

LC/NAIROBI

PROGRESS IN THE AREAS OF EMPLOYMENT GENERATION, PRODUCTIVITY ENHANCEMENT AND CO-OPERATION IN THE USE OF HIGH-LEVEL MANPOWER

PROGRESS IN THE AREAS OF EMPLOYMENT GENERATION, PRODUCTIVITY ENHANCEMENT AND CO-OPERATION IN THE USE OF HIGH-LEVEL MANPOWER

A. Introduction

1. The economic crisis of the first half of the 1980s took its toll on Africa's human resources. Open unemployment shot up from 12 million workers or 5.3% of the labour force in 1980 to 22 million or over 10.2% of the African labour force in 1985. Underemployment which stood at 40% affecting 30 million people in 1980 increased to affect about 48% of the labour force or 95 million people in 1985. The African refugee population surpassed the 5 million mark by 1985 and by the beginning of that year over 12 million farmers, pastoralists and rural workers were displaced. The brain drain from Africa also increased. Some 70,000 middle and high-level Africans were estimated to have migrated to the developed regions of the world by 1987.

2. The overall poor economic performance of the African economy since 1980 and the resultant productivity decreases in all production sectors had a negative impact not only on the demand for labour but also on marginal worker productivity. Workers were laid off from establishments in the private sector, the parastatals and government and a good number of production enterprises had to close down their operations.

3. The serious decline of the African economy in the first half of the 1980s was brought about by external and internal factors. The origins of the crisis include severe balance-of-payments problems, declining export earnings and the dramatic increases in external indebtedness which placed great strains on investments in development projects and brought about foreign exchange difficulties whose effects had a serious impact on the regions ability to procure production inputs for agriculture and industry. The crisis was triggered off by adverse climatic conditions which led to drought and desertification, severely affecting production in agriculture and impacting negatively on other sectors such as transport, industry and energy production. The resultant decline in gross output had a devastating effect on employment, incomes and overall levels of productivity within the economy.

4. 1985 saw the beginning of collective efforts of African Governments to chart out strategies for recovery and for laying the foundations for sustained development within the region. At its 21st ordinary session, the Assembly of Heads of State and Government of the Organization of African Unity which convened in Addis Ababa in July 1985, decided on the medium- and short-term priority measures to be pursued to revive the African economy within the five years between 1986 and 1990. These measures are contained in Africa's Priority Programme for Economic Recovery 1986-1990 (APPER). APPER doubled up as the framework within

which another important document, Africa's Submission to the Special Session of the United Nations General Assembly on Africa's Economic and Social Crisis was adopted by the first Extraordinary Session of the ECA Conference of Ministers and the 45th Extraordinary Session of the OAU Council of Ministers, which were held in Addis Ababa from 28-29 and 30-31 March 1986 respectively. This Submission was presented to the 13th Special Session of the United Nations General Assembly, which was convened in New York in May/June 1986 and which adopted the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 (UN-PAAERD). All three strategy documents are based on the objectives of the Lagos Plan of Action and the Final Act of Lagos, in that they define the actions required for rehabilitating the African economy during 1986-1990 so that they could move more rapidly towards attaining the objectives of the LPA and the FAL.

5 By 1986, most African countries had put in place measures for structural adjustment and development policy reforms. These measures together with the crisis conditions that preceded them, have inevitably had an effect on the utilization of human resources in Africa. In many respects, the effects have so far been negative in that they have depressed employment and accentuated underemployment levels, have reduced incomes and increased hardship in many African countries. This paper will review the record in respect of the impact of the crisis and the resultant structural adjustment and policy reform measures, on employment productivity and the general utilization of human resources, with a view to proposing measures to dampen the shock on human resources.

B The Economic Crisis: Background to the Problem 1/

6 The great drought of 1983/84 severely affected agricultural production and the general performance of the African economy. It struck at a time when an adverse international economic climate made it difficult for African economies to sustain the growth momentum of the 1970s. The exogenous factors that exacerbated the crisis include the collapse in commodity prices, adverse terms of trade, sharp declines in official development assistance, high interest rates, increased protectionism and a

1/ For a fuller treatment of the origins and causes of the crisis the "Special Memorandum by the ECA Conference of Ministers on Africa's Economic and Social Crisis" UNECA, Addis Ababa, July 1984, "Second Special Memorandum by the ECA Conference of Ministers on Africa's Economic and Social Crisis," UNECA, Addis Ababa, 1985, UNECA, "Africa's Submission to the Special Session of the United Nations General Assembly on Africa's Economic and Social Crisis", Addis Ababa, 1986. United Nations, "Critical Economic Situation in Africa", New York, 1984, Adebayo Adedeji "Africa's Current Economic Crisis and Prospects for 1985", Addis Ababa, December 1984

heavy debt burden and debt-servicing obligations. Internally, the crisis was edged on by serious structural deficiencies: imbalances between urban development and rural poverty, disparities in income distribution, poor management of financial and human resources, political instability etc.

7. Although climatic conditions were the main reason for the [illegible] decline in agricultural production, the sector itself by its very structure and production mode provided all the preconditions for a crisis. It is characterized by an overdependence on rain-fed agriculture which makes it vulnerable to erratic climatic conditions. Investments in agriculture are inadequate and what little is made, goes to support cash crop production to the detriment of food production. Incentives to farmers are generally inadequate also, as is institutional support such as the provision of extension services, marketing and distribution etc. There is a very low rate of application of science and technology in this sector and the provision of production inputs such as fertilizers, pesticides, seeds etc. is greatly inadequate. With all these constraints, food self-sufficiency ratios dropped from 98 per cent in the 1960s to 86 per cent in the 1980s. Between 1980 and 1984, these ratios dropped even further as food production increased by only one per cent, against a population growth rate of 2.9% per annum. Food imports therefore skyrocketed and by 1984 25 per cent of all food imports came in the form of food aid. All told agricultural output stagnated as did agricultural exports, affecting Africa's share in world trade for many commodities.

8. The industrial sector, including the extractive industries also performed poorly. This has its structural origins. the import-substitution industrial strategies of African countries failed to create the necessary linkages with the regions natural resource base and developed a very heavy reliance on imported inputs to function. The economic crisis and the resultant shortages of foreign exchange made it difficult for inputs to be procured to keep industrial establishments going at full capacity. Capacity utilization therefore dropped drastically and industrial output declined dramatically by 1984.

9. Other sectors of the African economy also registered serious declines. Energy production, transport and communication, marketing and distribution systems all performed badly as a result of the economic crisis.

10. The productivity declines that were registered between 1983 and 1985 in African economies severely depressed the demand for labour. Open unemployment increased to affect some 22 million workers in 1985, from a mere 12 million four years earlier, whereas the numbers of Africa's underemployed increased from 30 mi-

than in 1980 to over 95 million in 1985 _2/ Drought and desertification and the consequent loss of production inputs such as seed and draught animals displaced some five million farmers, pastoralists and rural workers from production activities. The destruction of agricultural soils and vegetal cover also left a large number of rural producers with very little to do by way of future rural production activities. Among the side effects of these adverse conditions was the dramatic increase in the levels of morbidity and malnutrition. An estimated 30 million persons, of whom about 12.3 million were agricultural workers, suffered from malnutrition and ill-health _3/

11. Although agricultural workers were the hardest hit by the effects of the crisis, those in the formal sector did not go unscathed. Output decreases in industry and service establishments depressed the demand for labour. Employment levels either stagnated or declined as establishments laid off workers or put a freeze on employment. Worker productivity also declined as a consequence of the shortages of production inputs, energy, spare parts, raw materials etc.

12. The informal sector, employer of last resort, thrived in the face of these adverse employment conditions. Millions of workers sought refugee within it, as a source of livelihood. Because of the unfavourable employment conditions within the African economy, underemployment levels in the informal sector are assumed to have increased on account of the depressed wage levels and declines in marginal worker productivity.

13. As mentioned earlier, the economic crisis and its pervasive debilitating effects on the socioeconomic fabric of African countries has called for policy shifts, a reordering of priorities and the adoption of measures to rehabilitate the African economy to ensure full recovery. Almost all African Governments have put in place, policy reform measures, structural adjustment, stabilization or economic recovery programmes. The structural adjustment programmes have invariably been supported by the major international financing institutions such as the IMF and the World Bank. In some countries, these programmes have temporarily replaced the national development plan. It is through these programmes that "development" policies in many African countries have been pursued in recent years and it is these programmes that will influence socioeconomic development priorities for the rest of this decade. It is therefore fitting that a review of performance in the area of human resources utilization be undertaken within the framework of the structural adjustment measures being pursued by African countries.

_2/ ECA "The crisis of unemployment and human resources management," E/ECA/CM.11/33, Addis Ababa, 1985
_3/ United Nations op. cit. table 5

C Structural Adjustment, Economic Recovery and the Utilization of Human Resources

14 The financial requirements for economic recovery have driven African Governments to seek assistance from the major financial institutions: World Bank and the IMF. These and other international financial institutions insist on the formulation and implementation of structural adjustment and stabilization programmes, by the needy African governments. The adoption and implementation of these programmes are a precondition for continued access to the several facilities made available by these institutions, particularly the IMF to developing countries. These programmes call for certain financial, fiscal and economic measures to be implemented by the beneficiary government. They call for measures such as currency devaluation, the removal of subsidies on certain consumer goods, reduction in government spending, more privatization of enterprises, cost recovery and cost containment in the social services, tax reforms to increase government revenue etc. These measures are supposed to increase efficiency in demand management and in supply side and exchange rate adjustment. Demand management is intended to contain public expenditure while increasing government revenue. Supply side measures are meant to stimulate production and productivity whereas exchange rate adjustments (devaluation) are expected to raise the domestic value of production and discourage imports thereby reducing the demand for foreign exchange and correct the external imbalance.

15 In the application of these measures African Governments have had to sacrifice investments in development activities and particularly in the social sectors resulting in substantial cuts in social and economic development programmes. The employment generation opportunities foregone through a reduction in development investment amounted to a loss of an estimated one and one half million new permanent jobs between 1985 and mid 1987 in the formal sector alone. The construction industry, which traditionally has provided great employment opportunities for the semi-skilled and the unskilled was hard hit thus reducing its employment generation capacities substantially.

16 Apart from these opportunity costs, there have been conscious moves to reduce employment levels especially in the public sector enterprises and in government. Guinea reduced public sector employment by laying off 30,000 workers in the public services in 1987. 4/ Morocco took steps to suppress 44,000 established posts in the public sector in 1983 but actually laid off 19,000

4/ Cournalel, Alain: "FMI en Guinea. Un Programme tres Contestable" Codesria, Africa Development Vol. 10, No. 1/2, 1985, p 167, also "West Africa", 27 March 1987.

employed by 1984 ... For the same reason, thousands of workers lost their jobs in the Gambia, Senegal, Sierra Leone, Mali and Togo. The cut-offs were particularly well-recorded in Nigeria. Between 1986 and 1988 some one million workers were retrenched from industrial establishments. The Nigerian Manufacturers Association reported that between July 1986 and July 1987, 20,000 workers were laid off in industry. In the public service, 57,000 employees were retrenched between January and September 1985. _6/

17 Added to the direct reductions was the public sector employment freeze imposed. Some African countries have openly announced this freeze but most have simply implemented it quietly. An estimated one hundred thousand job opportunities are thus lost to the African workforce every year.

18 In addition to these cost containment measures, some countries have imposed a freeze on wages. This has been the case in Niger, Sierra Leone, Guinea and Togo. _7/ They have at the same time removed subsidies on essential consumer items such as energy and food thus passing on the full costs of these items to the consumer while prices of goods have increased. The following description of the situation in Tanzania summarizes the problem facing the African worker today. "Taken together with the devaluation (of the Tanzanian shilling) of over 35%, the increases in the price of petrol and the removal of the subsidy on Sembe (the local staple food), the (1984) budget represented a triple blow on those who depended on fixed income. For by 1981 when the minimum wage was Tz.shs 600 -, the minimum budget for food only per month for an average household of 4 persons was shs 900. By 1984, the minimum wage had been increased to shs 810., the real purchasing power of this was less than shs 100." _8/

19 In Zambia, real wages fell on average by between 10% and 15% per annum between 1980 and 1986. "Initial estimates suggest that in 1985, for a family of five, the poverty datum line - the subsistence minimum - was above K300 a month, almost twice the average wage." _9/

20 Reductions in public spending have not been confined only to the areas of employment and wages. There have been direct reductions of government expenditure in the social sectors:

_5/ El Malki, Habid. Crise economique et financiere - Austerite et FMI - le cas du Maroc" Codesria, op cit, p.95

_6/ See West Africa, 21 September 1987, p.1833

_7/ See ECA "The Implications of Structural Adjustment and Stabilization Programmes on Long-term Growth and Development in African Least Developed Countries", E/ECA/LDCs 7/Exp.6/4, Addis Ababa, 1987, p.7

_8/ Campbell, Horace, "The Budget and the People. Reflections on the 1984 Budget in Tanzania", Codesria, Op Cit., pp.82 & 83.

_9/ Makgetha, Neva S. "Theoretical and Practical Implications of IMF Conditionalities in Zambia", Journal of Modern African Studies, Vol. 24 No. 3, 1986, p.482

education, health and transport. Some of the costs of these services have been passed on to the consumer - the worker.

24 It can thus be seen that the structural adjustment and economic recovery programmes have caused and are continuing to cause serious difficulties for Africa's human resources. With the investment and employment policies being pursued, an estimated 1.8 million to 2 million new jobs have been lost in the African economy. This loss of employment generation opportunities has affected mainly the new labour force entrants, most of whom are primary school graduates. Increasingly, however, secondary school and university graduates are being affected. In 1984, the Federal Government of Nigeria announced that "although reliable statistics on unemployment are not available, the unemployed include not only secondary school leavers, but also graduates of universities and other institutions of higher learning. The unemployment of a growing number of graduates poses a serious social problem."1_0/ A graduate employment tracer study conducted in 1985 showed that only 10% of the Nigerian university graduates who had completed their national service had secured jobs one year after. 10 years earlier, full 98 per cent had found jobs within three months of their graduation.1_1/ The problem in Nigeria has worsen even further today, but it is typical of the trends in all African countries.

25 It must be mentioned, however, that the federal Government of Nigeria is taking steps to tackle its unemployment problem. Unemployment is reported to have reached the 3 million mark in May 1987. The National Directorate of Employment has set up a National Open Apprenticeship Programme through which the unemployed will be trained for self-employment. It is envisaged that 80 thousand unemployed youth will benefit from training through this programme. Fifty million Naira have been set aside for this purpose. Added to this programme, there is the Special Public Works Programme under which youths will be mobilized for road construction, tree planting and various maintenance work etc. There is also the small-scale industries programme through which youth will be be assisted to set up their own business; and other programmes to create employment in the agriculture sector.

26 The declines in the real value of wages themselves have serious implications for worker productivity. Some country studies have shown that the average real wage in many African countries has declined over the years, in some cases by as much as 40% in the last five years. Real per capita income on the continent itself has been on the decline by an average annual

1_0/ Federal Military Government of Nigeria, The Blue Book, June 1984

1_1/ Folayan Ojo "Employment Generation and Productivity Enhancement Strategies in Nigeria" (Mimeo)

- ... of at least 1 1 per cent since 1980 1_2/ In Africa, wage rates do not necessarily reflect worker productivity. They are often established by rather arbitrary criteria, with little or no consideration for the value of the worker's output or the time and intensity of work required to produce it. How the declining real wage levels in African countries will affect motivation, dedication, efficiency and output is a subject for serious study at the country level. African Governments should, in addition, be wary of the political consequences, which have begun to materialize in some countries.

24 The supply side measures which aim at creating incentives to boost production appear to have had a more positive effect among agricultural producers. Most governments have increased producer prices for the major agricultural commodities. This incentive, added to the favourable weather conditions since 1985, has resulted in an increase in the output of cereals in 1986. In countries like Burkina Faso, The Gambia, Chad, Cape Verde, cereals output increased by over 10 per cent over their 1985 levels. Swaziland, Malawi, Zimbabwe and Zambia have also reported good harvests 1_3/

25 There is little evidence that the currency devaluations the most popular of the exchange rate adjustment measures - have achieved their expected impact in the productive sectors of the economy. Granted, the curb on demand has meant a greater availability of foreign exchange for the procurement of production inputs. Consequently, rehabilitation of the manufacturing sector has met with some success in many African countries. While this may have led to an improvement in respect of underemployment and productivity, it is not certain that it has helped to reduce unemployment. In agriculture and mining, its positive effects are doubtful, because "to begin with, devaluation is likely to be an ineffective response to an external payments problem because as primary commodity exporters, African (countries) are price-takers on world markets. In most of these countries, the output of primary products is fairly inelastic and insensitive to changes in export prices. With an inelastic supply of goods to export, their earnings from export could generally be expected to remain unchanged."1_4/ Devaluations, therefore, are not likely to stimulate output in the major economic sectors in Africa, to the extent that this would increase demand for labour.

D Employment, Productivity and the African Priorities for Recovery

---

1_2/ See United Nations, "Critical Economic Situation in Africa" Op Cit p 4

1_3/ Adebayo Adedeji, "A Preliminary Assessment of the Performance of the African Economy in 1986 and Prospects for 1987", Addis Ababa, January 1987, p 5

1_4/ ECA "The Implications of Structural Adjustment", Op.Cit.p 5

24. Notwithstanding the structural adjustment and stabilization programmes, African Governments have indicated a set of actions which they intend to pursue within the context of the objectives of the Lagos Plan of Action to achieve economic recovery. These measures were first articulated in July 1985 in "Africa's Priority Programme for Economic Recovery 1986-1990" (APPER) which was adopted by the 21st ordinary session of the Assembly of Heads of State and Government of the OAU. They are expected "to pave the way for national and collective self-reliant and self-sustained growth and development."1_5/ Accordingly, APPER places topmost priority on the rehabilitation of the food and agriculture sector by instituting measures to boost food production and to increase that sectors resilience in the face of drought, desertification and the vagaries of the weather and by providing various incentives to producers and increasing the amounts and quality of agricultural support services. APPER also identifies other sectors where development would impact positively on the rehabilitation and growth of agriculture, particularly transport and communications, distribution and marketing systems and rural energy supply. The development and utilization of human resources is given prominence. APPER asserts that "the attainment of the objectives of the LPA and the FAL depends in the final analysis, on the development of a wide range of human resources required for the formulation, implementation and monitoring of programmes covering the entire spectrum and sectoral activities in the development process."1_6/ APPER thus recommends action to step up manpower development activities and to institute measures that would reduce the "brain drain" and ensure a much better utilization of Africa's human resources.

25. The action measures recommended in APPER were amplified in "Africa's Submission to the Special Session of the United Nations General Assembly on Africa's Economic and Social Crisis." The Submission estimated the dollar requirements for the implementation of the objectives of APPER in all the priority sectors in the five years between 1986-1990. In agriculture, the estimated requirement was $57.4 billion to be used to increase food production, develop and improve arable lands, develop animal and livestock production, increase mechanization of agricultural production, improve storage and marketing, develop agricultural research and extension services, strengthen water resource management and intensify programmes of reafforestation and drought and desertification control. US$60.1 billion will go to the development of other sectors in support of agriculture. These include the rehabilitation and development of agro-based industries for stepped-up production of agricultural tools and implements, fertilizers and pesticides, spareparts etc.; the development of transport and communication, especially rural and access roads; and the improvement of distribution and marketing systems. US$3.4 billion will be required for drought and

1_5/ OAU "Africa's Priority Programme for Economic Recovery, 1986-1990", Addis Ababa, 1985 p.1
1_6/ op cit, p.9

desertification control programmes and US$7.2 billion will go towards improving the development and utilization of human resources. Programmes in the area of human resources will concentrate on educational curricula reform to streamline education with development needs and to render Africa's human resources more amenable to being utilized more efficiently within enabling socio-political environments, such that underemployment, unemployment and the brain drain are significantly reduced.

28 At the 13th Special Session of the United Nations General Assembly, which was convened in New York in May/June 1986 to deliberate on Africa's social and economic problems, the international community pledged its support to the African initiatives for economic recovery and agreed to enter into a "shared partnership" with African countries in taking the actions necessary for recovery and development. This support is expressed in the "United Nations Programme of Action for African Economic Recovery and Development 1986-1990" (UNPAAERD) in which African Governments undertook to implement certain reform measures and the international community promised to assist not only in the implementation of these measures but also in ameliorating the international economic environment in favour of Africa's rapid economic recovery.

29 The measures agreed in APPER, the Submission and UNPAAERD have far-reaching implications for the utilization of human resources in Africa. An implementation of the recovery programmes in all the sectors would have very salutary effects on growth within the economy which will stimulate the demand for labour and boost employment levels within the economy. The measures envisaged for the rehabilitation of the agricultural sector are themselves favourable to employment generation. Afforestation programmes, soil and water conservation schemes, livestock development projects etc. could create more opportunities for labour to be gainfully employed, and at the same time would set the stage for the agricultural work force to be more productive. The investments in sectors in support of agriculture would call for increased activities in civil works projects - the construction of dams, roads, culverts, storage facilities etc. - which in themselves are highly labour-intensive. The implementation of recovery programmes in these areas will thus create a large number of rural jobs while at the same time lead to higher levels of productivity in agriculture. And the provision of seeds, fertilizer and improved production tools and implements will make agricultural production more efficient and worker productivity much higher.

30 In the manufacturing sector, rehabilitation of industrial enterprises has already started showing signs of success. With the greater availability of foreign exchange, it has been possible to secure more raw materials, spareparts and production inputs to raise capacity utilization in many industries. While this has certainly rendered the output of the industrial worker higher, it is not certain that it has contributed substantially to

increasing the demand for labour. Almost if output growth is sustained over the life of APPER and the UNPAAERD, the demand for labour will in the medium and long term, be boosted, not only within the industrial sector but also in the economy as a whole.

34. As [illegible] said, it is estimated that the total investment of US$120 billion in the Recovery Programme will create between 5.5 million and 6.25 million permanent jobs in the African economy [1/]. The success of the programmes will reduce unemployment levels to about the 1980 level of 60 million workers.

35. In 1987, ECA undertook an evaluation of progress in the implementation of APPER and the UN-PAAERD in African countries.[2/] The study sought to ascertain the extent to which policies, programmes and strategies of APPER and UN-PAALRD have been integrated into national development plans or structural adjustment and stabilization programmes, whether the targets of APPER and UN-PAAERD have been adequately reflected in the national budgets, and the extent to which external assistance has been oriented towards the priorities of APPER and the UNPAAERD. 97 per cent of African governments had, according to the study, incorporated the priorities of APPER and UNPAAERD into their national development plans whereas 90 per cent had these reflected in their budgets. Most of the countries had taken measures to increase the inflow of funds from external sources.

36. The immediate measures embarked upon to implement APPER and the UN-PAAERD in the food and agriculture sector called for the creation and/or maintenance of national emergency preparedness mechanisms, the establishment of early warning and food security systems. About half the African countries had implemented or were in the process of implementing these measures. The requirements in the short and medium terms were to increase the level of investment in food and agriculture, strengthen agricultural credit institutions, undertake land reform and reclamation and encourage rural savings. The survey revealed that about 65% of the countries had begun meeting this requirement.

37. The impact of these measures on human resources development can only be a positive one. For example, the land reform and reclamation measures will significantly increase farm acreage and provide more opportunities to the farmer to be more productive. This would depend, of course on other supportive measures. UN-PAAERD and APPER had foreseen this need and had recommended measures such as more mechanization and modernization of

---

1/ It is estimated that an investment of between US$35,000 and US$50,000 will create one permanent job. This is lower than in other regions of the world, because of the higher labour intensity in production within the region.

2/ ECA: "Progress in the Implementation of the United Nations Programme of Action for African Economic Recovery and Development and Africa's Priority Programme for Economic Recovery and Development (1986-1990)" Doc. E/ECA/CM 13/5 Addis Ababa 1987

agricultural production, the application of modern production inputs and techniques, more agronomical research, the development and use of high yielding seeds etc., the improvement of transport, communications and storage and distribution systems. More than 60 per cent of the countries surveyed indicated that they had begun implementing this recommendation and some 80% of the countries had already taken action to rehabilitate and develop feeder roads, access and service roads and small bridges. This suggests that employment opportunities through the implementation of these public works projects are being increasingly generated for the semi-skilled and unskilled for the most part, and at the same time the conditions are being created for labour productivity levels to be raised.

35 Most countries have embarked on action to implement the recommendation to rehabilitate other sectors in support of agriculture. They are taking steps to improve the internal distribution systems, carry out reafforestation programmes, control deforestation, soil erosion, salination and overgrazing etc. The investments planned for the implementation of these activities will augur well for job creation and the enhancement of worker productivity.

36 In the field of human resources, the survey revealed that the implementation of the APPER and UN-PAAERD recommendations were still modest: only 57 per cent reported that they were developing and encouraging indigenous entrepreneurs.1_9/ The measures for reducing dependence on outside experts rely on training for the most part. A small number of countries have instituted programmes for the involvement of women in development and for rural development to stem the rural/urban drift.

37 As concerns measures to reverse the brain drain, very little appears to have been done. 3 per cent of the countries were providing economic incentives to discourage the brain drain, and another 3 per cent were giving both economic and political incentives for that purpose. 17 per cent were improving conditions of work whereas 10 per cent were ensuring good working conditions and providing political and economic incentives at the same time.2_0/

38 There is no doubt that if the UN-PAAERD and APPER are implemented in the medium term the demand for labour will be substantially increased and the dramatic decline in levels of employment within the region will be arrested. It is certain also that they will decrease levels of underemployment. Their real impact on poverty alleviation in the medium term is, however, not certain, in the face of the structural adjustment measures being undertaken concurrently by about 30 African countries.

39 Opportunities for promoting private indigenous entrepreneurs and employers in the informal sector can also be created through

---

1_9/ op cit, p.12
2_0/ Ibid. p.9

the implementation of APPER and the UNPAAERD. These agents have strong potentials for employment creation and those in the informal sector particularly are active in training, the production of intermediate goods and the provision of incomes to millions of Africa's work force. The investments envisaged for recovery should also be directed towards stimulating their growth so that they are able to absorb more of Africa's labour force.

F. The Crisis, Recovery and the Brain Drain

40. There are today an estimated 70,000 middle- and high-level Africans living in Western Europe and North America. These are Africans who have received at least three years of post-secondary education in colleges, polytechnics and universities. More than half of them hold at least two university degrees and most of them are qualified in fields in which serious shortfalls are recorded within the continent: engineering, science, technology, agriculture, management, medicine etc.

41. Although the outflows are directed towards the developed market economies of Western Europe and North America, the oil-rich countries of Western Asia serve as an important magnet for attracting middle- and high-level manpower from certain Afro-Arab countries. Hundreds of thousands of such workers - Moroccans, Tunisians, Egyptians, Sudanese and Somalis - have been drawn over by the oil-induced economic boom in the countries of Western Asia.

42. Only 14,000 African scientists, engineers, doctors and teachers were known to be employed in the USA and parts of Western Europe in 1975 _1/. The economic declines and the social deterioration that have plagued the continent since then are responsible for having significantly worsen the situation today and propelled the drift of skilled manpower away from the region. With the more difficult conditions of work which were brought about by the shortages of tools, equipment and inputs in industry, the health sector, agriculture, higher education institutions and state-owned enterprises, professionals and highly skilled workers saw their effectiveness being constrained by the day. In one African country, industrial capacity utilization fell by 67 per cent between 1980 and 1983 due largely to these production problems _2/. In another, surgeons in a large government hospital could not easily perform operations because of a shortage of surgical gloves. The Government of one West African country allocated no research funds to the national university for three years. These examples illustrate the difficult working conditions which Africa's middle and high-level manpower have had to face through the years of the crisis. But in general, the inadequacy of equipment and working tools in many an African

---

2/1/ See ILO, Employment, Growth and Basic Needs, A One-World Problem, Geneva 1976, p.32.

2/2/ See ECA, "The Crisis of Unemployment", Op. Cit. p.5.

country makes work more difficult, less exciting and fulfilling, and contributes to frustrating professionals to the point of their wanting to seek alternatives elsewhere.

43. Added to this problem, has been the one of declining real incomes. Whereas nominal values of incomes have remained constant, prices have been rising. Average price increases were in the order of 8.9 per cent between 1980 and 1981, 13.6 per cent between 1981 and 1982 and from 1982 to 1983, 12.3 per cent. They shot-up by 21 per cent in 1984 and 11.7 per cent in 1985 2_3/ Thus by 1984 the real value of a Ghanaian doctor's monthly salary was the equivalent of US$42, a Ugandan permanent secretary's was $40 and a University professor's in Sierra Leone was $66.2_4/

44. When incomes are low, resulting in hardships and an inability of the individual to fulfil at least his basic needs, it is natural for him to look for alternative sources of income elsewhere. Middle- and high-level personnel are typically those who have the option to seek alternatives elsewhere, invariably in the developed market economies of the world.

45. The social environment has deteriorated also, following the economic crisis. Some indicators of social decline are the absence of certain amenities, difficult housing conditions, educational and health problems, transportation inadequacies, shortages of essential consumer goods etc. In many African countries, these indicators are quite visible even to the casual observer. They increase hardship and stress and act as a 'push" factor. Qualified Africans with a choice will naturally, tend to opt out of living under such difficult conditions.

46. Another very strong push factor has been the political problems which some countries in the region have gone through. The scenes of cross-border conflicts, wars, coups d'etat and ethnic skirmishes which have occured in Africa since the 1960s have created many refugees, and have propelled the flight of skilled Africans to more stable political environments.

47. The need to send African students abroad for education and training also contributes to the brain drain. Most of these highly skilled Africans who are abroad, left the continent to pursue their studies further in the first place. There is evidence that a good percentage of Africans who undertake studies in Western Europe and North America tend not to be inclined to return upon completion of their studies. Mali estimates that 15 per cent of its nationals studying in France do not return.2_5/ The insufficiency of educational opportunities in Africa therefore also contributes to the problem of the brain drain.

2_3/ See ECA Survey of Economic and Social Conditions in Africa 1982-1983, Addis Ababa 1984, p.87, 1985-1986, p.64

2_4/ See "International Migration, Vol. XXIV, No. 1, March 1986

2_5/ See Jeune Afrique No. 61/26 June 1985, p.35

48 All told, socioeconomic difficulties act as an accelerator of the brain drain. An ECA study has shown that rates of outmigration correlate positively with socioeconomic conditions. In Sudan, during the difficult period of the second half of the 1970s rates of out-migration were recorded as follows: 1972, 545; 1973, 1160; 1974, 1168 and 1975, 10058. The study estimate that the flow was much heavier in subsequent years because "the situation keeps on worsening" 2_6/ In the 1970s more than half the professional and technical manpower in Uganda fled the Amin regime because of political repression and economic hardships. In Rhodesia outmigration rates picked up correspondingly with the escalation of the war of liberation, and by 1986, Ghana had lost more than half its medical doctors to the U.S.A., Western Europe and the Gulf States.

49 There is no doubt that the economic crisis and the traumas of recovery, have propelled the flight of skills from African economies in the last five years. Although one of the measures for recovery is aimed at arresting the trend, some lag should be expected before these measures, if implemented at all, take effect. The brain drain will, therefore continue or even increase in the next five years, given the persistence of the present socioeconomic conditions and barring the institution of restrictive measures within the continent and in the receiving countries.

F Cooperation in the use of High-Level Manpower

50 The large numbers of middle- and high-level manpower that have emigrated from Africa, still have a role to play in the economic development of the continent. Expatriate technical assistance employment in Africa has been growing, while vacancy rates in many African countries have remained high. Shortages in some skill areas in one country can be redressed by using the surplus in these same areas from another country.

51 Yet of all the attempts to formalize co-operation among countries of the region in the various fields of development, co-operation in the utilization of human resources has been the weakest. As far back as 1973, the Heads of State and Government of the OAU adopted the African Declaration on Co-operation, Development and Economic Independence in which, with respect to sharing of human resources among African countries, they undertook to (i) facilitate the free movement of persons essential for the exchange of ideas and economic integration and give priority to co-operation in the exchange of professional manpower and skilled and unskilled labour among African countries. (ii) take appropriate measures to put an end to the brain drain in Africa and to prompt qualified Africans living abroad to return with a

2_6/ ECA "A Survey on the Problems of the Brain Drain in North African Countries: Monograph on the Outflow of Qualified Specialists and Skilled Manpower: The Case of Egypt and the Sudan", Addis Ababa, December 1979

rise to the rapid phasing out of technical assistance from outside Africa.

52. The Heads of State and Government decided to establish an "Inter-African Technical Co-operation Bureau", whose objectives would be (i) enabling African countries with a sufficiency of skilled personnel to make this available to other African countries needing the services of such personnel; (ii) facilitating exchange of scientific and technical know-how as well as experiments and experiences relating to development among African countries; (iii) giving Africans the possibility of further developing their expertise by tackling problems in other African host countries; (iv) fostering the spirit of co-operation and solidarity among African countries.

53. The Intra-African Technical Co-operation Bureau was indeed established at OAU in 1974, but because of inadequate support from member States, it atrophied and has now died. Formal regional co-operation in the use of high-level manpower is still just a wish.

54. It must be mentioned, however, that there exist several bilateral arrangements between African countries for the sharing of manpower. Zimbabwe and Ghana have entered into an agreement through which the latter will supply the former with medical doctors. Nigeria provides Gambia with lawyers and the Sudan supplies a number of North African countries with skilled manpower.

55. More informal arrangements exist for the sharing of qualified personnel among African countries. Political and economic hardships have contributed to bringing this about. Out of more than four million African migrant workers and five million refugees on the continent today, a good percentage are middle- and high-level personnel.2/ In this way Guineans are allowed to operate in the Senegalese economy, Chadians are employed in the Ivory Coast, Ugandans, in Kenyans and Ethiopians in Djibouti.

56. In spite of these existing arrangements, there is definitely the need to institute more formal mechanisms to promote the sharing of African expertise among African countries. This is dictated by the need to retain within the continent, as many prospective emigrants as possible, to contribute to recovery and development. Most skilled Africans migrate out of the region only as a last resort, but would have preferred to have sought opportunities in other African countries had they been assured of the ease of benefitting from these opportunities.

57. As far back as 1976, ECA started publishing a Directory of African Experts and consultancy organizations. The objective was to provide Governments an access to information on African experts whom they could employ within the continent, and to

---

2/ See ECA: "International Migration in Africa: Past, Present and Future Prospects", Doc. ECA/Pb/WS/1981/2. Addis Ababa, 198.

reduce their need to hire the more expensive out-of-region experts. There is evidence that little use has been made of this Directory in African Governments' search for experts.

58. Mention must be made of the Southern African Migrant Labour System through which millions of Africans from the independent Southern African States bordering South Africa, are turned into cheap forms of labour. This situation has deteriorated over the years to the extent that the Migrant worker system is proving to be more of a liability than an asset to the development of the supplier States. The Southern African Labour Commission was created to grapple with this problem with the eventual objective of evolving alternatives that would result in reducing the dependence of its members on South Africa for the provision of employment for their nations. Although concrete results are yet to materialize, there is evidence that the Southern African countries are resolute in finding a permanent solution to the migrant worker problem.

59. In other parts of the continent, there has been an increasing tendency towards intolerance of other nationalities. Mass expulsion of workers has become more frequent. Apart from the hardship imposed on the individuals concerned, and the tensions generated between the countries involved, this expulsions have a negative impact on the need for cooperation in the sharing of skills within the region. African Governments should endeavour to make the free movement of people a more positive element in the collective development of their countries at both the sub-regional and the regional levels.

60. ECA has since 1982 been promoting a programme2_8/ aimed essentially at reversing the brain drain and at identifying highly skilled Africans living in Western Europe and North America with a view to returning them into jobs in any African country that would have them. Over three hundred and eighty vacancies which these skilled Africans could fill have been identified since 1984 in priority fields such as engineering, agriculture, health,

---

2_8/ The "Joint ECA/ICM Return of Skills Programme for Africa" has been in operation since 1982. Under this programme, ECA identifies vacancies in African countries and publishes them in North America and Western Europe. The Intergovernmental Committee for Migration (ICM) which is collaborating with ECA on this project, identifies suitable Africans in the countries of the North, whose CV's are sent to ECA. Biographical sketches are made of these candidates and published in "African Experts Available for Recruitment". This is circulated thrice yearly to all African countries. Prospective employers are free to call for the full CV's of interesting candidates, and if employment is decided between the two parties, the Programme then finances the return and resettlement of the new recruit. Resettlement assistance includes salary topping, purchase and shipment of working tools and equipment, insurance, etc.

natural and physical sciences, management sciences, animal sciences, industrial technology etc

64 More than 1800 qualified Africans have participated since the inception of the programmes and many requests for CV's of candidates picked out from the biographical sketches have been received by ECA. In 1986 alone, 180 such requests were received from African countries. Several hundred candidates have been placed in jobs in Africa between 1984 and 1986.

65 This programme holds great promise for the reversal of the brain drain in Africa. Unfortunately, it is not being exploited to its fullest by African Governments. Third level educational institutions are the most active participants in it, but increasingly the private sector is showing some interest. Government ministries and state owned enterprises do not as yet appear to show much interest.

C Proposals for Practical Measures

66 By all accounts, little progress has been made in the areas of employment generation, productivity enhancement and co-operation in the use of high-level manpower within the region. The rising unemployment and underemployment levels within the African economy have been compounded by the withholding of investments in development activities which could have generated more employment opportunities for Africa's labour force. Other structural adjustment and stabilization measures have also contributed to constricting African employment markets. But even in the face of the recovery measures being implemented there are indeed possibilities to increase employment and reduce underemployment within the region. The following are some courses of action which may be considered for that purpose, as well as for increasing co-operation in the utilization of manpower within the region, and for reducing the brain drain from African economies.

(i) Implementing APPER and UN-PAAERD

67 As has been mentioned, the investments envisaged in the implementation of the priority programmes of recovery will create several million jobs. The actions reported by member States as revealed in the ECA evaluation study should by now be decelerating the unemployment trends in African countries. Unemployment is still on the increase, probably on account of the structural adjustment and stabilization programmes taking precedence over the recovery programmes. If African countries should succeed in tackling the worsening human resources problems which they now face, they should conceive policies and programmes to dampen the effects of structural adjustment and stabilization on human resources while in no way jeopardizing the success of the recovery measures.

68 The measures recommended for the rehabilitation of the agricultural sector and for sectors in support of agriculture

have high employment generation potentials. Afforestation, soil and water conservation, the construction of small dams, feeder roads etc. will create much demand for labour which can be met from the excess in urban areas. The effort to restore agricultural production to food self-sufficiency levels, will also provide opportunities for a large proportion of the rural labour force to be more productive. This will no doubt have a positive effect on efforts to reduce underemployment. Pastoralists will be more gainfully employed if the measures for protecting the livestock population are implemented, and the expansion of areas under cultivation through irrigation, the arrest of soil erosion and desertification would render it easier for the growing rural labour force to be more easily absorbed in agricultural production activities. Other areas in which there is need for programmes to be implemented, such as fisheries development, forestry management and development etc. will create more labour demand and will contribute towards raising the levels of productivity of the work force.

66 Other measures envisaged within APPER and UN-PAAERD call for substantial investments in the production of farm tools and equipment, the development of rural industries, stepped-up agricultural R&D etc. The implementation of these measures will no doubt have a direct positive impact on employment not only in the agricultural sector, but also in other sectors such as manufacturing and services, and the rehabilitation of existing industries will have the short term effect of reducing under employment in the industrial sector and create employment in the long run.

67 But African Governments must make a conscious effort to build into their recovery programmes elements that would promote the creation of employment and the reduction of underemployment in all sectors, otherwise recovery will be of little immediate benefit to Africa's labour force.

(ii) Dampening the effects of structural Adjustment and Stabilization Programmes on Human Resources Utilization and Productivity

68 The reductions in public sector expenditure, as advocated in the structural adjustment and stabilization measures are starving the social and economic sectors of substantial amounts of investments, which are now being used to finance recurrent expenditure. If these amounts had not been diverted, their use in financing development would have created the type of demand that would have been favourable to labour. On the other hand, African Governments have openly expressed their intention to implement the APPER and UN-PAAERD which call for total investments to the tune of US$128.1 billion from 1986 to 1990. It is not clear how this intention will be reconciled with the structural adjustment and stabilization measures in force in many African countries.

69 The more immediate effects of these measures on human resources have to be very seriously tackled: the deep erosions of the workers' pay package, the freeze on public sector employment, the rampant layoffs, the removal of subsidies on essential consumer items at the same time that wages are frozen. These all have far-reaching implications for the productivity of the work force, not to mention the hardships they impose on the working poor. African Governments will soon have to decide whether these measures are worth the political and social costs of sacrificing the regions human resources to satisfy the needs of others. Action therefore has to be taken to arrest the real wage declines and to create a public investment climate that would increase employment generation opportunities within the region.

70 The demand for labour could be sustained at present levels or even increased through a programme of employment subsidies, where employers could be paid a certain amount of money to retain workers or to hire more labour. Public works schemes should also be considered as a means of providing gainful employment to the unemployed. In Benin, Ghana and Guinea, these schemes have been provided as a means of absorbing a large number of workers who had been laid off their jobs in the public services. Ghana has gone further by providing loans to displaced public sector workers to start businesses.2_9/

71 There is very serious doubt being cast over the effectiveness of currency devaluation in stimulating growth and in increasing labour demand, given the present structure of the African economy. The results of devaluation in African countries have been inflationary as they push up prices of imported goods and reduce capacity utilization in industries that are dependent on imported inputs3_0/ In this way they reduce employment generation capacities and cause hardship. African Governments will have to reconsider their policies on devaluation vis-a-vis its effects on human resources.

(iii). Reversing the Brain Drain

72 Any policies aimed at arresting the outflow of skilled manpower must first begin with an honest appraisal of the factors that bring it about. In Africa these factors are political, social and economic in nature. While it is difficult to advise African Governments on the political measures to be pursued to reduce the brain drain, it may be expedient to suggest some areas in which African Governments may wish to consider taking action.

73 The deteriorating socioeconomic conditions on the continent are responsible for speeding up the flight of skills from African

---

2_9/ See World Bank, Protecting the Poor During Periods of Adjustment, Staff Working Papers, Washington, D.C. 1977, p.15
3_0/ See ECA: "The Implications of Structural Adjustment", Op.Cit. pp.21-22 and 24

economies. Chronic underdevelopment is the primary cause of the brain drain. The Lagos Plan of Action has prescribed actions to remove the conditions that give rise to the persistence of the regions underdevelopment and to set in motion the process for attaining self-reliant and self-sustaining development within the continent. As a long-term objective, African Governments should evolve measures to increase the resilience of the African economy and strengthen its capacity to be self-reliant in the production of goods and services. Food security and self-sufficiency should be the primary objective of agricultural development policies and industrialization should serve to facilitate the integration of the various production sectors. Public institutions should be more development-oriented and a more positive socio-political ethos must be inculcated among Africa's policy makers and economic managers. These are the minimum immediate requirements for beginning the process of removing the conditions that have caused Africa's persistent under-development.

74 Existing money incentives policies tend to favour the brain drain from Africa. It has been argued that raising wage levels in African economies will result in the distortion of wage structures, the promotion of income and other inequalities, a curb in welfare spending and other socioeconomic imbalances. Be that as it may, the problem of the brain drain, which in effect amounts to the loss of skills, should be seen as a loss of a production input -- human resources -- to development. If an input is considered essential to the production of valuable goods and services then the cost of purchasing that input should be a secondary consideration, subsumed under its utility in getting the goods and services produced, especially where the economies concerned would have to pay a much higher price for the absence of that input. Such is the case in respect of human resources for development in Africa. The direct and the opportunity costs of the brain drain, justify instituting urgent measures to reverse it by providing more attractive monetary and other incentives to the continent's skilled men and women.

75 Working conditions should also be improved. Equipment, tools and production inputs should be made available to production and "knowledge' workers so as to allow them to carry out their work with ease and efficiency. Intellectuals and academics should be provided a more enabling and less stressful environment, as well as the resources that would make them function with greater effectiveness.

76 The management of human resources should itself be greatly improved, so that nepotism, graft and ethnicism do not continue to determine the system of rewards, and so that Africa's human resources are motivated towards higher levels of productivity.

77 African Governments should provide more opportunities for education and training, and increase resource allocations to the middle and higher education sector to improve the quality of teaching and learning within it. This would help to reduce the

need for large numbers of Africans to seek educational opportunities abroad and would decrease the chances of a good percentage of such students staying away.

78 African Governments should show greater interest in participating in the Joint ECA/ICM Return of Skills programme for Africa, for the promise it holds for assisting them in identifying highly qualified Africans in specialized fields for employment in key areas. A greater involvement in this programme will obviate the need for hiring expensive expatriate personnel.

(iv) Strengthening Co-operation Among African Countries in the Utilization of Human Resources

79 While the Joint ECA/ICM Return of Skills Programme for Africa promotes the vertical flow of skills from the North, no formal regional arrangements as yet exist for within region skill exchanges. The OAU initiatives to formalize cooperation for this purpose have borne no fruit and the Bureau setup to administer the exchange programme has evaporated into thin air. African governments should consider providing the resources required for ECA to initiate action on their behalf to create a programme for within region exchange of skilled Africans. The Directory of African Experts and Consultancy organizations which ECA has been publishing since 1976, was meant to facilitate the use of more African experts in development projects. More use ought to be made of this Directory by Governments wishing to intensify co-operation in the use of African professionals.

(v) Strengthening Employment Planning Capabilities

80 The bleak prospects facing the region in the area of employment generation to meet the demands of a growing labour force, require an immediate change of attitudes to questions of employment, incomes and productivity. The African planner tends not to be too preoccupied with the employment effects of development investment. Too often employment is considered only as a side effect of growth, rather than the objective itself of growth. Little wonder therefore that the high levels of unemployment and underemployment have today turned out to be the fruits to be reaped from past development planning practices in African countries.

81 While ministries of labour continue to concentrate on their custodial function -- works welfare, trade union concerns, arbitration, contract negotiation, enforcement of labour legislation -- there appears to be a reluctance on their part to develop their capabilities to plan and monitor employment trends within their economies. Unless the capability is developed, so that employment creation emerges more positively as an objective of overall planning, the region will continue to be confronted with difficulties in fully utilizing its growing labour force.

82 Although some countries have set up committees and commissions on employment -- Kenya and Nigeria notably -- much more than an ad-hoc arrangement of this type is required to battle the problems of unemployment and underemployment. A permanent structure within government must be set up to monitor employment levels within industry, enforce government policies on employment, particularly with the multinationals which are notorious for their regular flouting of these policies, and monitor employment trends with a view to promoting the emergence of situations which would be favourable to labour.

Conclusion

83 The economic crisis triggered off a crisis of unemployment and underemployment, making it extremely difficult for Africa's human resources to be utilized productively and causing extreme hardships for Africa's workforce. The recovery measures advocated in APPER and UN-PAAERD are potentially most favourable to ameliorating the employment situation within the continent. But the prevailing structural adjustment and stabilization programmes seem to have had the upper hand so far in many African countries. Thus, while underemployment levels in agriculture have been reduced because of the good rains in the last two years, open unemployment levels in the formal wage sector of African economies have increased on account of the stringency measures of the structural adjustment and stabilization programmes being implemented. Although African Governments have reported an impressive rate of implementation of APPER and UN-PAAERD, the effects on employment do not so far support that claim. The investment of US$128.1 billion over the life of APPER and UN-PAAERD will not only ensure the full economic recovery of the region, but will also in the process generate millions of jobs which will help to alleviate the suffering caused by the crisis.

84 There is a growing imperative for African Governments to regard these investments as a way of alleviating the suffering of a large number of jobless Africans and to retain this as one major objective of recovery. This is important not only for reasons of productivity increase, but also to rebuild the work ethic in African societies which many young Africans are begining to lose on account of their being jobless for long periods of time.

85 The drops in the standard of living that have been brought about by the unfavourable economic conditions have induced a large number of highly skilled Africans to flee the African economy. This loss of skills has complicated the regions efforts at recovery and development. Measures have to be thought out and programmes put in place to arrest and reverse the trend. African Governments might wish to begin by exploiting the facilities of the Joint ECA/ICM Return of Skills Programme for Africa and by making greater use of the Directory of African Experts. They should also begin considering how to redress the skills imbalances within the region by transferring surpluses to areas

of shortage. Internal conditions of employment must be improved as a precondition of the success of any attempts to reverse the brain drain.

86 The situation confronting African Governments with regard to the utilization of human resources is bordering on the explosive. Unless urgent actions are taken to improve it, this continent should be prepared for a season of civil unrest.